



**MISSISSIPPI STATE DEPARTMENT OF HEALTH**

**SINGLE AUDIT FINDINGS**

May 7, 2004

Phil Bryant, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following is our response to the Single Audit Findings contained in your letter dated April 15, 2004, for the Fiscal Year 2003 Audit:

**AUDIT FINDINGS:**

**ACTIVITIES ALLOWED OR UNALLOWED**

10.557                      Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

03-17                      Computer System Policies and Procedures Should Be Developed

**Response:**

We concur with the finding.

**Corrective Action Plan:**

The Software Support team leader will be responsible for developing policies and procedures for the management of development, testing, quality assurance, training, and production environment migration. These procedures will be developed and implemented by December 31, 2004.

*Brian W. Amy, MD, MHA, MPH, State Health Officer*

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**ACTIVITIES ALLOWED OR UNALLOWED**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

03-18 Controls over Data Security Should Be Strengthened

**Response:**

We concur with the finding.

**Corrective Action Plan:**

The Software Support team leader will be responsible for insuring this is done and will give the information to the lead network administrator to ensure proper network security is given. Security for the application is the responsibility of the lead software support person.

**ACTIVITIES ALLOWED OR UNALLOWED**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

03-19 Edits for the Social Security Number Data Field Should Be Developed

**Response:**

We concur with the finding.

**Corrective Action Plan:**

MSDH will establish processes to audit social security number data. This will occur outside the MWITS application due to the limitation of the application. MSDH will be working with Department of Human Services and the Social Security Administration to implement these checks. Procedures will be developed to review checks and eliminate incorrect social security numbers.

## **ALLOWABLE COSTS/COST PRINCIPLES**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

03-20 Personnel Costs Should Be Properly Charged to Federal Program

### **Response:**

We concur with the finding.

### **Corrective Action Plan:**

Internal controls have been strengthened to ensure the time study and salaries charged to the WIC program are reconciled on a quarterly basis. Adjustments will be made periodically to ensure the program is charged only for the time documented as spent on the program activities. The time study is being evaluated to ensure individuals properly record their time to the program and specific problems noted with the time study reporting deficiencies rectified.

## **CASH MANAGEMENT**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2001, 2002 and 2003

03-21 Controls over Cash Management Should Be Strengthened

### **Response:**

We concur with the finding.

### **Corrective Action Plan:**

Adequate controls have been put into place to ensure amounts in excess of effort put forth for the federal program are not drawn down.

**MATCHING, LEVEL OF EFFORT, EARMARKING**

93.991 Preventative Health and Health Services Block Grant

Federal Award Number and Year: BI-MS-PRVS, 2002

03-22 Controls Over Earmarking Requirements Should Be Strengthened

**Response:**

We concur with the finding.

**Corrective Action Plan:**

The agency has notified contractors receiving funding from the Preventive Health and Health Services Block Grant on services to victims of sexual offences and rape prevention education that expenditures related to these areas must be reported separately. Upon reporting these costs, the agency will maintain this information separately to be reported to the federal program.

**REPORTING**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2002

03-23 Controls Over Reporting Should Be Strengthened

**Response:**

We concur with the finding.

**Corrective Action Plan:**

The Accounting Auditor II will complete the WIC Financial Management and Participation Report (FNS-798), the Accounting Auditor III will review it for accuracy and the Office of Health Services Financial Director will do a final review and sign to ensure that documentation is complete and accurate.

Mr. Bryant  
May 7, 2004  
Page 5

## **SUBRECIPIENT MONITORING**

93.991

Preventative Health and Health Services Block Grant

Federal Award Number and Year: BI-MS-PRVS, 2002 and 2003

03-24

Controls Over Subrecipient Monitoring Should Be Strengthened

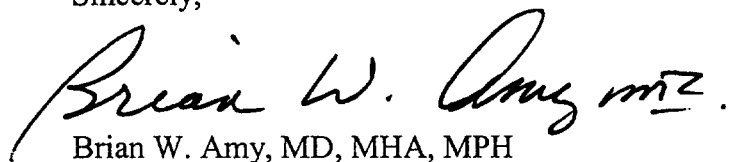
### **Response:**

We concur with the finding.

### **Corrective Action Plan:**

The MSDH has reviewed and enhanced its internal controls over subrecipient monitoring. The three monitoring site visits omitted in fiscal year 2003 have been completed. A copy of the proposed scheduled annual visits will be prepared and presented to the supervisor to ensure compliance with federal regulations. All annual monitoring reports will continue to be reviewed by the supervisor. The supervisor will sign off on all of the monitoring site report findings prior to submission to the subgrantees.

Sincerely,

A handwritten signature in black ink that reads "Brian W. Amy MD". The signature is fluid and cursive, with the last name "Amy" being the most prominent part.

Brian W. Amy, MD, MHA, MPH  
State Health Officer

BWA/mej



**MISSISSIPPI STATE DEPARTMENT OF HEALTH**

**OTHER AUDIT FINDINGS**

May 7, 2004

Phil Bryant, State Auditor  
Office of the State Auditor  
State of Mississippi  
P.O. Box 956  
Jackson, MS 39205-0956

Dear Mr. Bryant:

The following is our response to the Other Audit Findings contained in your letter dated April 15, 2004, for the Fiscal Year 2003 Audit:

**AUDIT FINDINGS:**

**ACTIVITIES ALLOWED OR UNALLOWED**

10.557                      Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

Oth-10                      Employee Termination Procedures Should Be Implemented

**Response:**

We concur with the findings.

**Corrective Action Plan:**

We will implement a procedure which will have Human Resources notify the Office of Health Informatics via a report of all terminations with the Mississippi State Department of Health on a monthly basis. This has been implemented with the April payroll.

*Brian W. Amy, MD, MHA, MPH, State Health Officer*

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**ACTIVITIES ALLOWED OR UNALLOWED**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

Oth-11 Physical Controls at the Off-Site Storage Facility Should Be Improved

**Response:**

We concur with the findings.

**Corrective Action Plan:**

The Mississippi State Department of Health will initiate an agreement with the Mississippi Department of Archive and History to use their facility to store off-site information. The policies and procedures will be defined and implemented by July 1, 2004.

**ACTIVITIES ALLOWED OR UNALLOWED**

10.557 Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

Oth-12 Controls Over Network Security Should Be Strengthened

**Response:**

We concur with the findings with the exception of the following:

- a) User-ids admin, Backup, and Techa are system level accounts required for on-going support and background processes.
- b) Passwords for admin, Backup, and Techa are not set to expire as these are systems accounts and are dependent on running as a system function.
- c) Techa is a login required for support by WIC technical staff only and will be reviewed for acceptable use or changes if needed to be handled differently.

**Corrective Action Plan:**

Corrective actions have already been taken on the following:

- a) User-ids admin and Techa now require passwords.
- b) User-id TempMW has been deleted.
- c) Of the 19 user-ids in question due to no recent access:
  - 1) 7 terminated, retired, or deceased have been deleted
  - 2) 2 married and their old user-ids have been deleted
  - 3) 3 were invalid and have been deleted
  - 4) 1 is out on work/comp and has been disabled
  - 5) 1 user-id identified had already been deleted
  - 6) 5 user-ids were validated as valid users

Usage of the Techa IDs will be reviewed for acceptable use and changes if needed to be handled differently. If not changed in the usage of the ID, documentation of the usage will be created and provided for auditing purposes.

**SPECIAL TESTS AND PROVISIONS**

10.557

Special Supplemental Nutrition Program for Women, Infants, and Children

Federal Award Number and Year: 5MS700704, 2003

Oth-13

Food Distribution Centers Should Be Inventoried Once Every Quarter

**Response:**

We concur with the finding.

**Corrective Action Plan:**

Inventory reports are made to WIC Central Office indicating that the quarterly inventory has been completed by a supervisor or floater and by Central Office Distribution staff for the independent sites. Another step of notifying the District Administrator and District Nutrition Supervisor has been added for immediate follow-up to ensure compliance.



Mr. Bryant  
May 7, 2004  
Page 4

**MATCHING, LEVEL OF EFFORT, EARMARKING**

93.991

Preventative Health and Health Services Block

Federal Award Number and Year: B-MS-PRVS, 2002

Oth-14

Administrative Costs Charged to the Program Should Be Allowable per Federal Regulations

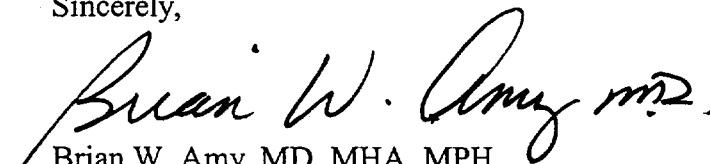
**Response:**

We concur with the finding.

**Corrective Action Plan:**

Prior to the audit finding, the agency had reevaluated all federal grants to determine whether the agency applied the indirect cost rate approved by the federal cognizant agency or to apply a flat administrative cost, which ever was dictated by the particular federal grant. Determination of the application of administrative cost is now computed based on each draw from the federal grant by the financial grants management staff, verified by the Grant's Director and approved by the Director of Finance and Administration to ensure compliance with the grant guidelines. Through these procedures, the agency ensures the proper administrative costs are charged to federal grants.

Sincerely,

  
Brian W. Amy, MD, MHA, MPH  
State Health Officer

BWA/mej